92\_HB1075ham002

## LRB9206094JScsam

- 1 AMENDMENT TO HOUSE BILL 1075
- 2 AMENDMENT NO. \_\_\_\_. Amend House Bill 1075, AS AMENDED,
- 3 by replacing everything after the enacting clause with the
- 4 following:
- 5 "Section 5. The Electronic Commerce Security Act is
- 6 amended by changing Section 10-105 and adding Sections 5-106,
- 7 5-107, 5-108, 5-109, 5-111, 5-112, 5-113, 5-114, 5-116,
- 8 5-117, 5-118, 5-119, 5-121, and 5-122 as follows:
- 9 (5 ILCS 175/5-105)
- 10 Sec. 5-105. Definitions.
- 11 <u>"Agreement" means the bargain of the parties in fact, as</u>
- 12 <u>found in their language or inferred from other circumstances</u>
- and from rules, regulations, and procedures given the effect
- of agreements under laws otherwise applicable to a particular
- 15 <u>transaction</u>.
- 16 "Asymmetric cryptosystem" means a computer-based system
- 17 capable of generating and using a key pair consisting of a
- 18 private key for creating a digital signature and a public key
- 19 to verify the digital signature.
- 20 <u>"Automated transaction" means a transaction conducted or</u>
- 21 performed, in whole or in part, by electronic means or
- 22 <u>electronic records</u>, in which the acts or records of one or

- 1 both parties are not reviewed by an individual in the
- 2 <u>ordinary course in forming a contract, performing under an</u>
- 3 existing contract, or fulfilling an obligation required by
- 4 <u>the transaction.</u>
- 5 "Certificate" means a record that at a minimum: (a)
- 6 identifies the certification authority issuing it; (b) names
- 7 or otherwise identifies its subscriber or a device or
- 8 electronic agent under the control of the subscriber; (c)
- 9 contains a public key that corresponds to a private key under
- 10 the control of the subscriber; (d) specifies its operational
- 11 period; and (e) is digitally signed by the certification
- 12 authority issuing it.
- "Certification authority" means a person who authorizes
- 14 and causes the issuance of a certificate.
- "Certification practice statement" is a statement
- 16 published by a certification authority that specifies the
- 17 policies or practices that the certification authority
- 18 employs in issuing, managing, suspending, and revoking
- 19 certificates and providing access to them.
- 20 <u>"Computer program" means a set of statements or</u>
- 21 <u>instructions</u> to be used directly or indirectly in an
- 22 <u>information processing system in order to bring about a</u>
- 23 <u>certain result.</u>
- 24 "Contract" means the total legal obligation resulting
- 25 <u>from the parties' agreement as affected by this Act and other</u>
- 26 <u>applicable law.</u>
- "Correspond", with reference to keys, means to belong to
- 28 the same key pair.
- 29 "Digital signature" means a type of electronic signature
- 30 created by transforming an electronic record using a message
- 31 digest function and encrypting the resulting transformation
- 32 with an asymmetric cryptosystem using the signer's private
- 33 key such that any person having the initial untransformed
- 34 electronic record, the encrypted transformation, and the

- 1 signer's corresponding public key can accurately determine
- 2 whether the transformation was created using the private key
- 3 that corresponds to the signer's public key and whether the
- 4 initial electronic record has been altered since the
- 5 transformation was made. A digital signature is a security
- 6 procedure.
- 7 "Electronic" means relating to technology having includes
- 8 electrical, digital, magnetic, <u>wireless</u>, optical,
- 9 electromagnetic, or <u>similar</u> any-other-form-of-technology-that
- 10 entails capabilities similar-to-these-technologies.
- 11 <u>"Electronic agent" means a computer program or an</u>
- 12 <u>electronic or other automated means used independently to</u>
- 13 <u>initiate an action or respond to electronic records or</u>
- 14 performances in whole or in part, without review or action by
- 15 <u>an individual.</u>
- 16 "Electronic record" means a record <u>created</u>, generated,
- 17 <u>sent</u>, communicated, received, or stored by electronic means
- 18 for-use-in-an-information-system-or-for-transmission-from-one
- information-system-to-another.
- 20 "Electronic signature" means <u>an electronic sound, symbol,</u>
- 21 <u>or process</u> a--signature--in--electronic-form attached to or
- logically associated with a an-electronic record and executed
- or adopted by a person with intent to sign the record.
- "Information" includes data, text, images, sound, codes,
- computer programs, software, databases, and the like.
- 26 <u>"Information processing system" means an electronic</u>
- 27 <u>system for creating, generating, sending, receiving, storing,</u>
- displaying, or processing information.
- 29 "Key pair" means, in an asymmetric cryptosystem, 2
- 30 mathematically related keys, referred to as a private key and
- 31 a public key, having the properties that (i) one key (the
- 32 private key) can encrypt a message that only the other key
- 33 (the public key) can decrypt, and (ii) even knowing one key
- 34 (the public key), it is computationally unfeasible to

1 discover the other key (the private key).

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2 "Message digest function" means an algorithm that maps or translates the sequence of bits comprising an electronic 3 4 record into another, generally smaller, set of bits (the 5 message digest) without requiring the use of any secret б information such as a key, such that an electronic record 7 yields the same message digest every time the algorithm is executed using such record as input and it is computationally 8 9 unfeasible that any 2 electronic records can be found or deliberately generated that would produce the same message 10 11 digest using the algorithm unless the 2 records are precisely 12 identical.

"Operational period of a certificate" begins on the date and time the certificate is issued by a certification authority (or on a later date and time certain if stated in the certificate) and ends on the date and time it expires as noted in the certificate or is earlier revoked, but does not include any period during which a certificate is suspended.

19 "Person" means an individual, corporation, business
20 trust, estate, trust, partnership, limited partnership,
21 limited liability partnership, limited liability company,
22 association, joint venture, government, governmental
23 subdivision, agency, or instrumentality, or any other legal
24 or commercial entity.

25 "Private key" means the key of a key pair used to create 26 a digital signature.

27 "Public key" means the key of a key pair used to verify a 28 digital signature.

"Record" means information that is inscribed, stored, or otherwise fixed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

33 "Repository" means a system for storing and retrieving 34 certificates or other information relevant to certificates,

- 1 including information relating to the status of a
- 2 certificate.
- 3 "Revoke a certificate" means to permanently end the
- 4 operational period of a certificate from a specified time
- 5 forward.
- 6 "Rule of law" means any statute, ordinance, common law
- 7 rule, court decision, or other rule of law enacted,
- 8 established or promulgated by the State of Illinois, or any
- 9 agency, commission, department, court, other authority or
- 10 political subdivision of the State of Illinois.
- "Security procedure" means a methodology--or procedure
- 12  $\underline{\text{employed}}$  used for the purpose of (1) verifying that an
- 13 electronic <u>signature</u>, record, or <u>performance</u> is that of a
- 14 specific person or <u>for</u> (2) detecting <u>changes or errors</u> error
- or-alteration in the <u>information in</u> communication, --content,
- or--storage-of an electronic record since-a-specific-point-in
- 17 time. The term includes a security procedure that requires
- 18 may-require the use of algorithms or other codes, identifying
- 19 words or numbers, encryption, or callback answer-back or
- 20 <u>other</u> acknowledgment procedures, -or-similar-security-devices.
- 21 "Signature device" means unique information, such as
- 22 codes, algorithms, letters, numbers, private keys, or
- 23 personal identification numbers (PINs), or a uniquely
- 24 configured physical device, that is required, alone or in
- 25 conjunction with other information or devices, in order to
- 26 create an electronic signature attributable to a specific
- person.
- "Signed" or "signature" includes any symbol executed or
- 29 adopted, or any security procedure employed or adopted, using
- 30 electronic means or otherwise, by or on behalf of a person
- 31 with intent to authenticate a record.
- 32 <u>"State" means a State of the United States, the District</u>
- of Columbia, Puerto Rico, the United States Virgin Islands,
- 34 or any territory or insular possession subject to the

- 1 jurisdiction of the United States. The term includes an
- 2 <u>Indian tribe or band, or Alaskan native village, which is</u>
- 3 recognized by federal law or formally acknowledged by a
- 4 State.
- 5 "State agency" means and includes all officers, boards,
- 6 commissions, courts, and agencies created by the Illinois
- 7 Constitution, whether in the executive, legislative or
- 8 judicial branch, all officers, departments, boards,
- 9 commissions, agencies, institutions, authorities,
- 10 universities, bodies politic and corporate of the State; and
- 11 administrative units or corporate outgrowths of the State
- 12 government which are created by or pursuant to statute, other
- 13 than units of local government and their officers, school
- 14 districts and boards of election commissioners; all
- 15 administrative units and corporate outgrowths of the above
- and as may be created by executive order of the Governor.
- "Subscriber" means a person who is the subject named or
- otherwise identified in a certificate, who controls a private
- 19 key that corresponds to the public key listed in that
- 20 certificate, and who is the person to whom digitally signed
- 21 messages verified by reference to such certificate are to be
- 22 attributed.
- "Suspend a certificate" means to temporarily suspend the
- 24 operational period of a certificate for a specified time
- 25 period or from a specified time forward.
- 26 <u>"Transaction" means an action or set of actions occurring</u>
- 27 <u>between two or more persons relating to the conduct of</u>
- business, commercial, or governmental affairs.
- 29 "Trustworthy manner" means through the use of computer
- 30 hardware, software, and procedures that, in the context in
- 31 which they are used: (a) can be shown to be reasonably
- resistant to penetration, compromise, and misuse; (b) provide
- a reasonable level of reliability and correct operation; (c)
- 34 are reasonably suited to performing their intended functions

- 1 or serving their intended purposes; (d) comply with
- 2 applicable agreements between the parties, if any; and (e)
- 3 adhere to generally accepted security procedures.
- 4 "Valid certificate" means a certificate that a
- 5 certification authority has issued and that the subscriber
- 6 listed in the certificate has accepted.
- 7 "Verify a digital signature" means to use the public key
- 8 listed in a valid certificate, along with the appropriate
- 9 message digest function and asymmetric cryptosystem, to
- 10 evaluate a digitally signed electronic record, such that the
- 11 result of the process concludes that the digital signature
- was created using the private key corresponding to the public
- 13 key listed in the certificate and the electronic record has
- 14 not been altered since its digital signature was created.
- 15 (Source: P.A. 90-759, eff. 7-1-99.)
- 16 (5 ILCS 175/5-106 new)
- 17 <u>Sec. 5-106. Scope.</u>
- 18 <u>(a) Except as otherwise provided in subsection (b), this</u>
- 19 Act applies to electronic records and electronic signatures
- 20 <u>relating to a transaction.</u>
- 21 (b) This Act does not apply to a transaction to the
- 22 <u>extent it is governed by:</u>
- 23 (1) a law governing the creation and execution of
- 24 <u>wills, codicils, or testamentary trusts;</u>
- 25 (2) the Uniform Commercial Code other than Sections
- 27 (3) Section 3 of the Rental Property Utility
- 28 <u>Service Act, subsection (a) of Section 8-202 of the</u>
- 29 <u>Public Utilities Act, or any other requirement in</u>
- 30 <u>Illinois law that notice of termination of utility</u>
- 31 <u>services (including water, heat, and power) to tenants or</u>
- <u>individual customers be in writing;</u>
- 33 (4) Section 15-1503 of the Code of Civil Procedure

1	or any other statutory requirement that notice of
2	default, acceleration, repossession, foreclosure,
3	eviction, or the right to cure under a credit agreement
4	secured by, or a rental agreement for, a primary
5	residence of an individual be in writing;
6	(5) any requirement in Illinois law that notice of
7	cancellation or termination of health care insurance or
8	benefits, or death or life insurance benefits (excluding
9	annuities) under a program of insurance or coverage to an
10	enrollee, patient, or individual insurance customer be in
11	writing;
12	(6) any requirement in Illinois law that any notice
13	of recall of a product be provided to a consumer in
14	writing; and
15	(7) Section 6 of the Lead Poisoning Prevention Act,
16	Sections 4 and 18 of the Illinois Pesticide Act, Section
17	9 of the Illinois Low-Level Radioactive Waste Management
18	Act, Section 2-11 and subsection A of Section 2-15 of the
19	Uniform Hazardous Substances Act of Illinois, and
20	subsection (a) of Section 8 of the Toxic Substances
21	Disclosure to Employees Act, or any other requirement in
22	Illinois law that hazardous materials, pesticides, or
23	other toxic substances be labeled for transport or
24	handling.
25	(c) This Act applies to an electronic record or
26	electronic signature otherwise excluded from the application
27	of this Act under subsection (b) to the extent it is governed
28	by a law other than those specified in subsection (b).
29	(d) A transaction subject to this Act is also subject to
30	other applicable substantive law.
31	(e) No provision in this Act modifies, limits, or
32	supersedes Section 101(c) of the Electronic Signatures in
33	Global and National Commerce Act.

- 1 (5 ILCS 175/5-107 new)
- 2 <u>Sec. 5-107. Prospective application. The changes made</u>
- 3 by the amendatory Act of the 92nd General Assembly applies to
- 4 any electronic record or electronic signature created,
- 5 generated, sent, communicated, received, or stored on or
- 6 <u>after the effective date of this Act.</u>
- 7 (5 ILCS 175/5-108 new)
- 8 Sec. 5-108. Use of electronic records and electronic
- 9 <u>signatures; variation by agreement.</u>
- 10 <u>(a) This Act does not require a record or signature to</u>
- 11 <u>be created, generated, sent, communicated, received, stored,</u>
- 12 <u>or otherwise processed or used by electronic means or in</u>
- 13 <u>electronic form.</u>
- 14 (b) This Act applies only to transactions between
- 15 parties each of which has agreed to conduct transactions by
- 16 <u>electronic means</u>. Whether the parties agree to conduct a
- 17 <u>transaction</u> by electronic means is determined from the
- 18 <u>context and surrounding circumstances, including the parties'</u>
- 19 <u>conduct.</u>
- 20 (c) A party that agrees to conduct a transaction by
- 21 <u>electronic means may refuse to conduct other transactions by</u>
- 22 <u>electronic means</u>. The right granted by this subsection may
- not be waived by agreement.
- 24 (d) Except as otherwise provided in this Act, the effect
- of any of its provisions may be varied by agreement. The
- 26 presence in certain provisions of this Act of the words
- 27 <u>"unless otherwise agreed", or words of similar import, does</u>
- 28 <u>not imply that the effect of other provisions may not be</u>
- 29 <u>varied by agreement.</u>
- 30 (e) Whether an electronic record or electronic signature
- 31 <u>has legal consequences is determined by this Act and other</u>
- 32 <u>applicable law.</u>

- 1 (5 ILCS 175/5-109 new)
- 2 <u>Sec. 5-109. Construction and application. This Act must</u>
- 3 be construed and applied:
- 4 (1) to facilitate electronic transactions consistent with
- 5 <u>other applicable law;</u>
- 6 (2) to be consistent with reasonable practices concerning
- 7 <u>electronic transactions and with the continued expansion of</u>
- 8 those practices; and
- 9 (3) to effectuate its general purpose to make uniform the
- 10 <u>law with respect to the subject of this Act among States</u>
- 11 enacting it.
- 12 (5 ILCS 175/5-111 new)
- Sec. 5-111. Legal recognition of electronic records,
- 14 <u>electronic signatures</u>, and electronic contracts.
- 15 (a) A record or signature may not be denied legal effect
- or enforceability solely because it is in electronic form.
- 17 (b) A contract may not be denied legal effect or
- 18 <u>enforceability solely because an electronic record was used</u>
- in its formation.
- 20 <u>(c) If a law requires a record to be in writing, an</u>
- 21 <u>electronic record satisfies the law.</u>
- 22 <u>(d) If a law requires a signature, an electronic</u>
- 23 <u>signature satisfies the law.</u>
- 24 (5 ILCS 175/5-112 new)
- 25 <u>Sec. 5-112. Provision of information in writing;</u>
- 26 <u>presentation of records.</u>
- 27 (a) If parties have agreed to conduct a transaction by
- 28 <u>electronic means and a law requires a person to provide,</u>
- 29 send, or deliver information in writing to another person,
- 30 the requirement is satisfied if the information is provided,
- 31 sent, or delivered, as the case may be, in an electronic
- 32 <u>record capable of retention by the recipient at the time of</u>

1	receipt. An electronic record is not capable of retention by
2	the recipient if the sender or its information processing
3	system inhibits the ability of the recipient to print or
4	store the electronic record.
5	(b) If a law other than this Act requires a record (i)
6	to be posted or displayed in a certain manner, (ii) to be
7	sent, communicated, or transmitted by a specified method, or
8	(iii) to contain information that is formatted in a certain
9	manner, the following rules apply:
10	(1) The record must be posted or displayed in the
11	manner specified in the other law.
12	(2) Except as otherwise provided in subsection
13	(d)(2), the record must be sent, communicated, or
14	transmitted by the method specified in the other law.
15	(3) The record must contain the information
16	formatted in the manner specified in the other law.
17	(c) If a sender inhibits the ability of a recipient to
18	store or print an electronic record, the electronic record is
19	not enforceable against the recipient.
20	(d) The requirements of this Section may not be varied
21	by agreement, but:
22	(1) to the extent a law other than this Act requires
23	information to be provided, sent, or delivered in writing
24	but permits that requirement to be varied by agreement,
25	the requirement under subsection (a) that the information
26	be in the form of an electronic record capable of
27	retention may also be varied by agreement; and
28	(2) a requirement under a law other than this Act to
29	send, communicate, or transmit a record by regular United
30	States mail, may be varied by agreement to the extent
31	permitted by the other law.
32	(5 ILCS 175/5-113 new)
33	Sec. 5-113. Attribution and effect of electronic record

- 1 <u>and electronic signature.</u>
- 2 (a) An electronic record or electronic signature is
- 3 <u>attributable to a person if it was the act of the person.</u>
- 4 The act of the person may be shown in any manner, including a
- 5 showing of the efficacy of any security procedure applied to
- 6 <u>determine the person to which the electronic record or</u>
- 7 <u>electronic signature was attributable.</u>
- 8 (b) The effect of an electronic record or electronic
- 9 <u>signature attributed to a person under subsection (a) is</u>
- 10 <u>determined from the context and surrounding circumstances at</u>
- 11 the time of its creation, execution, or adoption, including
- 12 the parties' agreement, if any, and otherwise as provided by
- 13 <u>law.</u>
- 14 (5 ILCS 175/5-114 new)
- 15 <u>Sec. 5-114. Effect of change or error. If a change or</u>
- 16 <u>error in an electronic record occurs in a transmission</u>
- between parties to a transaction, the following rules apply:
- 18 <u>(1) If the parties have agreed to use a security</u>
- 19 procedure to detect changes or errors and one party has
- 20 <u>conformed</u> to the procedure, but the other party has not, and
- 21 <u>the nonconforming party would have detected the change or</u>

error had that party also conformed, the conforming party may

avoid the effect of the changed or erroneous electronic

24 record.

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- 25 (2) In an automated transaction involving an individual,
- 26 the individual may avoid the effect of an electronic record
- 27 that resulted from an error made by the individual in dealing
- 28 with the electronic agent of another person if the electronic
- 29 agent did not provide an opportunity for the prevention or
- 30 correction of the error and, at the time the individual
- 31 <u>learns</u> of the error, the individual:
- 32 (A) promptly notifies the other person of the error
- and that the individual did not intend to be bound by

1	the electronic record received by the other person;
2	(B) takes reasonable steps, including steps that
3	conform to the other person's reasonable instructions, to
4	return to the other person or, if instructed by the other
5	person, to destroy the consideration received, if any, as
6	a result of the erroneous electronic record; and
7	(C) has not used or received any benefit or value
8	from the consideration, if any, received from the other
9	person.
10	(3) If neither paragraph (1) nor paragraph (2) applies,
11	the change or error has the effect provided by other law,
12	including the law of mistake, and the parties' contract, if
13	any.
14	(4) Paragraphs (2) and (3) may not be varied by
15	agreement.
16	(5 ILCS 175/5-116 new)
17	Sec. 5-116. Notarization and acknowledgment. If a law
18	requires a signature or record to be notarized, acknowledged,
19	verified, or made under oath, the requirement is satisfied if
20	the electronic signature of the person authorized to perform
21	those acts, together with all other information required to
22	be included by other applicable law, is attached to or
23	logically associated with the signature or record.
24	(5 ILCS 175/5-117 new)
25	Sec. 5-117. Retention of electronic records; originals.
26	(a) If a law requires that a record be retained, the
27	requirement is satisfied by retaining an electronic record of
28	the information in the record which:
29	(1) accurately reflects the information set forth in
30	the record after it was first generated in its final form
	the record arter it was rirst generated in its rimar rorm
31	as an electronic record or otherwise; and

- 1 (b) A requirement to retain a record in accordance with
- 2 <u>subsection (a) does not apply to any information the sole</u>
- 3 purpose of which is to enable the record to be sent,
- 4 <u>communicated</u>, or received.
- 5 (c) A person may satisfy subsection (a) by using the
- 6 <u>services of another person if the requirements of that</u>
- 7 <u>subsection are satisfied.</u>
- 8 (d) If a law requires a record to be presented or
- 9 retained in its original form, or provides consequences if
- the record is not presented or retained in its original form,
- 11 that law is satisfied by an electronic record retained in
- 12 <u>accordance with subsection (a).</u>
- (e) If a law requires retention of a check, that
- 14 requirement is satisfied by retention of an electronic record
- 15 of the information on the front and back of the check in
- 16 <u>accordance with subsection (a).</u>
- 17 <u>(f) A record retained as an electronic record in</u>
- 18 <u>accordance with subsection (a) satisfies a law requiring a</u>
- 19 person to retain a record for evidentiary, audit, or like
- 20 purposes, unless a law enacted after the effective date of
- 21 this Act specifically prohibits the use of an electronic
- 22 <u>record for the specified purpose.</u>
- 23 (q) This Section does not preclude a governmental agency
- 24 of this State from specifying additional requirements for the
- 25 <u>retention of a record subject to the agency's jurisdiction.</u>
- 26 (5 ILCS 175/5-118 new)
- 27 <u>Sec. 5-118. Admissibility in evidence. In a proceeding,</u>
- 28 <u>evidence of a record or signature may not be excluded solely</u>
- 29 <u>because it is in electronic form.</u>
- 30 (5 ILCS 175/5-119 new)
- 31 <u>Sec. 5-119. Automated transaction. In an automated</u>
- 32 <u>transaction</u>, the following rules apply:

	(1) A contract may be formed by the interaction of
2	electronic agents of the parties, even if no individual was
3	aware of or reviewed the electronic agents' actions or the
4	resulting terms and agreements.
5	(2) A contract may be formed by the interaction of an
6	electronic agent and an individual, acting on the
7	individual's own behalf or for another person, including by
8	an interaction in which the individual performs actions that
9	the individual is free to refuse to perform and which the
10	individual knows or has reason to know will cause the
11	electronic agent to complete the transaction or performance.
12	(3) The terms of the contract are determined by the
13	substantive law applicable to it.
14	(5 ILCS 175/5-121 new)
15	Sec. 5-121. Time and place of sending and receipt.
16	(a) Unless otherwise agreed between the sender and the
17	recipient, an electronic record is sent when it:
18	(1) is addressed properly or otherwise directed
19	properly to an information processing system that the
20	recipient has designated or uses for the purpose of
21	receiving electronic records or information of the type
22	sent and from which the recipient is able to retrieve the
23	electronic record;
24	(2) is in a form capable of being processed by that
25	system; and
26	(3) enters an information processing system outside
27	the control of the sender or of a person that sent the
28	electronic record on behalf of the sender or enters a
29	region of the information processing system designated or
30	used by the recipient which is under the control of the
31	recipient.
32	(b) Unless otherwise agreed between a sender and the
33	recipient, an electronic record is received when:

1	(1) it enters an information processing system that
2	the recipient has designated or uses for the purpose of
3	receiving electronic records or information of the type
4	sent and from which the recipient is able to retrieve the
5	electronic record; and
6	(2) it is in a form capable of being processed by
7	that system.
8	(c) Subsection (b) applies even if the place the
9	information processing system is located is different from
10	the place the electronic record is deemed to be received
11	under subsection (d).
12	(d) Unless otherwise expressly provided in the
13	electronic record or agreed between the sender and the
14	recipient, an electronic record is deemed to be sent from the
15	sender's place of business and to be received at the
16	recipient's place of business. For purposes of this
17	subsection, the following rules apply:
18	(1) If the sender or recipient has more than one
19	place of business, the place of business of that person
20	is the place having the closest relationship to the
21	underlying transaction.
22	(2) If the sender or the recipient does not have a
23	place of business, the place of business is the sender's
24	or recipient's residence, as the case may be.
25	(e) An electronic record is received under subsection
26	(b) even if no individual is aware of its receipt.
27	(f) Receipt of an electronic acknowledgment from an
28	information processing system described in subsection (b)
29	establishes that a record was received but, by itself, does
30	not establish that the content sent corresponds to the
31	content received.
32	(g) If a person is aware that an electronic record
33	purportedly sent under subsection (a), or purportedly
34	received under subsection (b), was not actually sent or

1	received, the legal effect of the sending or receipt is
2	determined by other applicable law. Except to the extent
3	permitted by the other law, the requirements of this
4	subsection may not be varied by agreement.
5	(5 ILCS 175/5-122 new)
6	Sec. 5-122. Transferable records.
7	(a) In this Section, "transferable record" means an
8	electronic record that:
9	(1) would be a note under Article 3 of the Uniform
10	Commercial Code or a document under Article 7 of the
11	Uniform Commercial Code if the electronic record were in
12	writing; and
13	(2) the issuer of the electronic record expressly
14	has agreed is a transferable record.
15	(b) A person has control of a transferable record if a
16	system employed for evidencing the transfer of interests in
17	the transferable record reliably establishes that person as
18	the person to which the transferable record was issued or
19	transferred.
20	(c) A system satisfies subsection (b), and a person is
21	deemed to have control of a transferable record, if the
22	transferable record is created, stored, and assigned in such
23	a manner that:
24	(1) a single authoritative copy of the transferable
25	record exists which is unique, identifiable, and, except
26	as otherwise provided in paragraphs (4), (5), and (6),
27	<u>unalterable;</u>
28	(2) the authoritative copy identifies the person
29	asserting control as:
30	(A) the person to which the transferable record
31	was issued; or
32	(B) if the authoritative copy indicates that
33	the transferable record has been transferred, the

Τ	person to which the transferable record was most
2	recently transferred;
3	(3) the authoritative copy is communicated to and
4	maintained by the person asserting control or its
5	designated custodian;
6	(4) copies or revisions that add or change ar
7	identified assignee of the authoritative copy can be made
8	only with the consent of the person asserting control;
9	(5) each copy of the authoritative copy and any copy
10	of a copy is readily identifiable as a copy that is not
11	the authoritative copy; and
12	(6) any revision of the authoritative copy is
13	readily identifiable as authorized or unauthorized.
14	(d) Except as otherwise agreed, a person having control
15	of a transferable record is the holder, as defined in Section
16	1-201(20) of the Uniform Commercial Code, of the transferable
17	record and has the same rights and defenses as a holder of an
18	equivalent record or writing under the Uniform Commercial
19	Code, including, if the applicable statutory requirements
20	under Section 3-302(a), 7-501, or 9-308 of the Uniform
21	Commercial Code are satisfied, the rights and defenses of a
22	holder in due course, a holder to which a negotiable document
23	of title has been duly negotiated, or a purchaser,
24	respectively. Delivery, possession, and indorsement are not
25	required to obtain or exercise any of the rights under this
26	subsection.
27	(e) Except as otherwise agreed, an obligor under a
28	transferable record has the same rights and defenses as an
29	equivalent obligor under equivalent records or writings under
30	the Uniform Commercial Code.
31	(f) If requested by a person against which enforcement
32	is sought, the person seeking to enforce the transferable
33	record shall provide reasonable proof that the person is in
34	control of the transferable record. Proof may include access

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1 to the authoritative copy of the transferable record and
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- 2 related business records sufficient to review the terms of
- 3 the transferable record and to establish the identity of the
- 4 person having control of the transferable record.
- 5 (5 ILCS 175/5-110 rep.)
- 6 (5 ILCS 175/5-115 rep.)
- 7 (5 ILCS 175/5-120 rep.)
- 8 (5 ILCS 175/5-125 rep.)
- 9 (5 ILCS 175/5-130 rep.)
- 10 (5 ILCS 175/5-135 rep.)
- 11 (5 ILCS 175/5-140 rep.)
- 12 Section 10. The Electronic Commerce Security Act is
- 13 amended by repealing Sections 5-110, 5-115, 5-120, 5-125,
- 14 5-130, 5-135, and 5-140.".